

**ECONOMIC DEVELOPMENT FOR A GROWING ECONOMY FOR RETENTION
(EDGE FOR RETENTION) PROGRAM
PROJECTS STATUS REPORT THROUGH 2004**

INDIANA ECONOMIC DEVELOPMENT CORPORATION

The Indiana Economic Development Corporation (IEDC) which replaced the Indiana Department of Commerce (IDOC) presents the 2004 annual report for the State of Indiana's Economic Development for a Growing Economy for Retention (EDGE for Retention) tax credit program, required under I.C. 6-3.1-13-23. The EDGE for Retention program was introduced in the 2003 Indiana General Assembly and signed into law by Governor O'Bannon in June 2003. The EDGE for Retention program provides the State of Indiana with a tool for competing with other states nationwide and worldwide in the retention of current employment opportunities. The EDGE for Retention program is "performance-based"; EDGE for Retention tax credit recipients must retain existing Indiana resident jobs, must employ at least 200 employees in Indiana and must have a plan for the use of the tax credits. This report presents the status of EDGE for Retention tax credit projects. A reconciliation of EDGE for Retention tax credits available versus those certified is provided on the final page of this report. Questions regarding this report should be directed to IEDC's Director of Development Finance, Terri Van Zant, at (317) 232-8827.

STATUS REPORT – 2004 EDGE FOR RETENTION PROJECTS

PROJECTS APPROVED ON NOVEMBER 18, 2004

Dover Industries, Inc. d/b/a Rotary Lift Division ("Rotary Lift"), located in **Madison, Jefferson County**, will modernize its manufacturing process through the automation of the production processes. It will further increase the production capacity and will further result of an "in house" production of parts that are currently outsourced. The project will further implement a new computer system that will lead to common information infrastructure between all of the company's manufacturing and sales operations in North America and Europe. As a result of this credit, 340 persons will be retained with an annual payroll of \$17,210,877.

IDOC recommended, and the EDGE Board approved, EDGE for Retention credits in the amount of \$500,000 over a period of 2 years. IEDC is in the process of entering into an agreement with Dover Industries.

Ispat Inland, Inc., located in **East Chicago, Lake County**, plans to install a new refractory lining in the #20 BOF Furnace Vessel. The refractory lining protects the furnace shell from the molten steel. The company further intends to replace sections of the hoods over the #50 and #60 furnace vessels. As a result of this credit, 5,607 persons will be retained with an annual payroll of \$287,172,506.

IDOC recommended, and the EDGE Board approved, EDGE for Retention credits in the amount of \$2,000,000 over a period of 2 years. IEDC is in the process of entering into an agreement with Ispat Inland.

PROJECT APPROVED ON JULY 19, 2004

Flint & Walling, Inc., located in **Kendallville, Noble County**, plans to use its tax credits to purchase land and a building. As a result of this credit, 139 persons will be retained with an annual payroll of \$4,754,194.

IDOC recommended, and the EDGE Board approved, EDGE for Retention credits in the amount of \$250,000 over a period of 2 years. IEDC is in the process of entering into an agreement with Flint & Walling.

PROJECT APPROVED ON MAY 12, 2004

Stanley Security Solutions, Inc., located in **Indianapolis, Marion County**, will invest its EDGE for Retention tax credits in facility improvements, machinery and equipment upgrades, machinery investment to support new product lines, SAP implementation, and distribution infrastructure for the commercial hardware product line. As a result of this investment, 546 jobs will be retained.

IDOC recommended, and the EDGE Board approved, EDGE for Retention credits in the amount of \$1,000,000 over a period of 2 years. The EDGE Board entered into an agreement with Stanley Security Solutions on October 26, 2004. IEDC has received Stanley's 2004 annual report on EDGE for Retention credits and is in the process of verifying the reported employment, payroll and credits.

STATUS REPORT – 2003 EDGE FOR RETENTION PROJECTS

Whirlpool Corporation, located in **Evansville, Vanderburgh County** - IDOC recommended, and the EDGE Board approved, EDGE for Retention credits in the amount of \$1,000,000 over a period of 5 years. The EDGE Board entered into an agreement with Whirlpool on April 19, 2004. IEDC has received Whirlpool's 2003 and 2004 annual reports on EDGE for Retention credits and is in the process of verifying the reported employment, payroll and credits.

Dorel Juvenile Group, Inc., located in **Columbus, Bartholomew County** - IDOC recommended, and the EDGE Board approved, EDGE for Retention credits in the amount of \$1,000,000 over a period of 5 years. The EDGE Board entered into an agreement with Dorel on April 16, 2004. IEDC has received Dorel's 2004 annual report on EDGE for Retention credits and is in the process of verifying the reported employment, payroll and credits. EDGE for Retention credits certified by IDOC since the 2003- tax year total \$200,000.

EDGE FOR RETENTION CREDITS AWARDED AND CERTIFIED TO-DATE

As of December 31, 2004, the EDGE Board has approved six (6) projects. The annual report includes companies approved by the EDGE Board who are in the process of agreement. Those companies will not have EDGE credits certified, but will have EDGE credits available.

IEDC certified 2004 EDGE credits for annual reports received as of the submission deadline of February 14, 2005. Reports received after the deadline will be certified in the order in which they were received, and the companies will be able to claim 2004 tax credits in the amount certified by IEDC. When an EDGE for Retention tax credit recipient fails to file an annual report for tax credit certification, IEDC follows a procedure of notifying the recipient, in writing, that the annual report is overdue. Failure to file the required annual report for tax credit certification may result in forfeiture of such tax credits by the recipient.

The current schedule reflects EDGE Retention credits awarded over the period 2003-2004.

Year	EDGE Credits Available	EDGE Credits Certified
2003	\$900,000	\$200,000*
2004	\$2,275,000	\$0*
2005	\$1,775,000	
2006	\$400,000	
2007	\$400,000	
TOTAL	\$5,390,000	\$200,000

* Actual amount certified to date. Not all companies have reported.

Percentage of credits certified:

2003 – 22.2%*

2004 – 0%*

Percentage of credits certified through 3/31/05– 6.3%